REMARKS

Claim 1 has been amended for clarity and to further distinguish it over the applied art. Claims 14-16, respectively similar to claims 11-13, are added. Claim 14 is very similar to claim 11 but is infringed by performing the enabling step and by one who did not provide the storage, the key, and/or the remote server. Claims 1 and 16 are the same as claims 12 and 13, except for dependency.

Amended claim 1 distinguishes over Edelman (U.S. 6,857,067), previously relied on to anticipate claims 1-13. Claim 1 has been amended so that the limitation "during the registration procedure" is added to each of steps (e), (f), and (g), following "stored in the computer terminal." Support for this limitation is found throughout the specification and even in step (d) of claim 1 as previously presented. Claim 1 now more clearly indicates that subsequent to the registration procedure, verification to allow further execution of the application software does not involve the remote server. This is in contrast to the verification performed in Edelman, in which the electronic device verifies the "validity of the licensing medium by comparing the license data (stored in the licensing medium) to the verification data of the registration authority," as explained, for example, in the first full paragraph of column 4 of Edelman and as shown in FIG. 8, where smart card contents (i.e., the licensing medium) are compared against the registration authority database during verification.

Since claims 2-10 depend on claim 1, they are allowable with claim 1. In addition, several of these claims, as well as claim 13, include features Edelman does not disclose.

In the rejection of claims 3 and 13, the Office Action erroneously equates verification data of Edelman to the second portion of the application software. Even though the verification data of Edelman are obtained from the second database (of the registration authority), only the data used to verify the license data stored on the licensing medium are used for the purpose of data access authorization. This is in contrast to the application software of claim 3 which, as the name suggests, performs an application and is not for verification.

Hence, contrary to the assertion in the Office Action, "enabling the computer terminal to download the second portion of the *application software* from the remote server and to store the

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second portion of the *application software* in the electronic key of claims 3 and 13 is not the same as the license manager having a second database of *verification data* for verifying the license data stored on the licensing medium and the license manager providing updated *license data* to the licensing medium of Edelman.

Edelman does not disclose the features associated with the electronic key performing calculations associated with the second portion of the application software of Applicant's claim 8. Claim 8 requires the computer terminal to send data to be processed to an electronic key. The Edelman electronic device sends registration information to the registration authority. See column 4, lines 33-42. Further, the sent data of claim 8 are to be processed using the second portion of the application software (i.e., to perform an actual application), while the Edelman registration information is used only for registration.

The Office Action cites column 2, lines 28-34, and lines 47-56, of Edelman with respect to the claim 8 feature of the electronic key performing calculations associated with the second portion of the application software. The Office Action maintains that electronic keys inherently perform calculations to prevent unauthorized use of software. However, calculations to prevent unauthorized software use are not the same as the claim 8 feature of an electronic key performing calculations associated with an actual application software, i.e., the second portion of the application software. Stated differently, Applicant strongly disagrees with the position that any processing capability that conventional licensing media may have can be equated with the electronic key of claim 8 that performs calculations associated with the second portion of the application software using the data from the computer terminal. For example, in the smart card 120 embodiment of Edelman, the smart card 120 contains a microchip 300 (see FIGS. 2 and 3 thereof), which is used for performing processes related to verification such as decryption, as explained in column 4, lines 43-50. This is not the same as the electronic key performing calculations associated with the application software of claim 8.

It naturally follows from the above that Edelman fails to disclose "enabling the electronic key to send results of the calculations performed to the computer terminal" of claim 8.

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As described on page 14 of the instant specification, the features of claims 6 and 7 prevent infringers from bypassing the code checking mechanism. In contrast, the portions of Edelman cited in the Office Action (column 12, lines 8-12) relate to verifying the expiration date of the smart card (column 12, lines 5-12) or verification of authorized period of software use (column 12, lines 49-67).

A consequence of this basic different in purpose between claims 6 and 7 and Edelman is that the features of claims 6 and 7 are not disclosed in Edelman. For example, while claim 6 requires the verification period to correspond to the verification code generated by the electronic key and to be set by the electronic key, the expiration date of the smart card and the authorized period of the software of Edelman are not a function of a code generated by the smart card itself.

As another example, Edelman does not verify the electronic key comparing the verification code generated prior to a verification period with a verification code generated thereby, following the verification period, as required by claim 6. Instead, Edelman verifies registration authority by checking the expiration date generated by the registration authority, see column 12, lines 5-12. Verification in Edelman with respect to the software authorization period is performed by a client program of client computer 100 retrieving the licensing information from the smart card for the particular software as indicated by column 12, lines 50-56.

Since there is no indication in the Office Action of how Edelman discloses the features of claim 11, Applicant is not in a position to comment about the rejection.

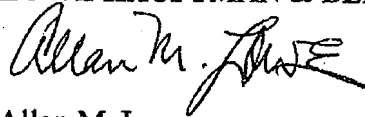In view of the foregoing amendments and remarks, allowance is in order.

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To the extent necessary, Applicant hereby requests any required extension of time not otherwise requested and hereby authorizes the Commissioner to credit any overpayment or charge any omitted required fee, including application processing, extra claims, and extension fees, to Deposit Account 08-2025.

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Respectfully submitted,

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